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ABSTRACT

The Management by Results Model of South Carolina's Principal Incentive Program is one of three models developed to reward school principals who demonstrate superior performance and productivity. Awards are given on the basis of the achievement of objectives developed by the principal and approved by the Principal Incentive Committee as well as a "superior" or better rating on the Principal Evaluation Instrument. The Extended Evaluation Model requires that candidates demonstrate superior performance and productivity as compared to other principals in the district in addition to achieving a "superior" or better evaluative rating. The Combination Model also requires a "superior" or better evaluative rating but the principal must select either the "Exceeds Performance" or "Performance Objectives" evaluation procedure to help determine incentive awards. Outlines give details about program administration, the relationship of the Principal Incentive Program to the Principal Evaluation Model, student teacher involvement, candidate attendance, the appeal process, general fiscal information and procedures, program requirements, and procedures and requirements of each model. Appendices A-B, F-D, and E-F contain each model's suggested administration timeline and expenditure guidelines. (EJS)

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PIP

*Rewarding Superior Performance and Productivity*

# South Carolina Principal Incentive Program 1990-91

## *Management by Results Model*
## *Extended Evaluation Model*
## *Combination Model*

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*State Department of Education*
*Division of Public Accountability*

EA

# SOUTH CAROLINA PRINCIPAL INCENTIVE PROGRAM
1990-91

## MANAGEMENT BY RESULTS MODEL

## EXTENDED EVALUATION MODEL

## AND

## COMBINATION MODEL

DIVISION OF PUBLIC ACCOUNTABILITY
JULY 1990

South Carolina Department of Education
An Equal Opportunity Agency

## FOREWORD

The Education Improvement Act of 1984 provided for the establishment of a principal incentive program to reward principals who demonstrate superior performance and productivity. In order to implement the provision, the State Board of Education selected three incentive program models developed by school districts in South Carolina during 1985-86, and districts pilot tested the approved program models during 1986-87, 1987-88, and 1988-89. Funding for the statewide implementation of the Principal Incentive Program was provided by the General Assembly beginning with the 1989-90 school year.

An evaluation of the incentive program models was conducted after each pilot-test year. Information from the evaluation studies, as well as input from the Principal Incentive Program Advisory Committee, the EIA Select Committee, the Business-Education Subcommittee, and pilot-test district coordinators, was used by the State Board of Education to revise the models approved for implementation in 1989-90. School districts administer, or form a consortium to administer, the program as prescribed by state statute, State Board of Education regulation, and model requirements. Each district/consortium in South Carolina selects one of the three models, the Management by Results Model, the Extended Evaluation Model, or the Combination Model, for district implementation.

The three models approved by the State Board of Education on June 13, 1990, for implementation in the school districts of South Carolina in 1990-91 are contained in this document.

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MANAGEMENT BY RESULTS MODEL

## MANAGEMENT BY RESULTS MODEL

### I. Program Features

The Management by Results Model of South Carolina's Principal Incentive Program is one of three models developed under the Education Improvement Act of 1984 to reward school principals who demonstrate superior performance and productivity.

The Management by Results Model of the Principal Incentive Program incorporates South Carolina's Principal Evaluation Program as the preliminary process for determining incentive award recipients. In addition to requiring a "Superior" or better on the Principal Evaluation Instrument, the Management by Results Model requires the successful completion of predetermined objectives during the school year. The principal, with the assistance of his/her evaluator, prepares performance objectives and submits those objectives to the Principal Incentive Committee for review and approval. Following approval, the principal initiates activities designed to achieve the objectives. At the end of the school year, the committee determines whether or not the objectives have been achieved. The principal receives an incentive award on the basis of achieving the objectives and a "Superior" or better rating on the Principal Evaluation Instrument.

### II. Program Administration

South Carolina's Principal Incentive Program is administered through the school districts of the State. Funds for the program are allocated to each district on the basis of the number of principals and vocational center directors employed by the district. The State Board of Education, through the model requirements, provides direction for administering the program. Within the model requirements, the operation of the program and the decisions regarding incentive awards are the responsibility of the school district.

As provided by the Education Improvement Act of 1984, the Principal Incentive Program rewards principals who demonstrate superior performance and productivity. Incentive awards shall be made only to principals whose schools exhibit a level of student achievement which exceeds expected normative growth established by the district. Achievement measures may be selected from nationally and state-developed achievement instruments and from principal and district-assembled achievement-related measures which document a superior level of student achievement which exceeds expected normative growth.

#### A. District Coordinator

To facilitate the effective and efficient operation of the program, each participating district shall appoint a staff person as the district coordinator for the Principal Incentive Program. The coordinator shall be responsible for administering the program and shall:

1. Serve as the district's contact person for the program with the State Department of Education;
2. Serve, after training, as a district interpreter of the program;
3. Organize program orientation and training sessions for district principals;
4. Provide staff support to the Principal Incentive Committee;
5. Assure administration of the Principal Incentive Program in accordance with model requirements.

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The position held by the coordinator and the amount of time devoted to coordination of the Principal Incentive Program will vary with the size and existing administrative structure of the district. A portion of the operational funds allocated to the district may be used to support the salary of the coordinator. Districts implementing the Principal Incentive Program through a consortium shall identify one coordinator to serve all districts in the consortium.

**B. District Principal Incentive Committee**

As a minimum requirement, each school district participating in the Principal Incentive Program shall establish a committee to be known as the Principal Incentive Committee. The general function of the Committee is to assist the district in the administration of the program. In carrying out this function, the committee shall meet a minimum of three times during the year, as suggested below:

| **Timeline** | **Responsibilities** |
|---|---|
| September/October | Review early progress of program.<br>Complete initial committee tasks. |
| January/February | Conduct mid-year review of program progress. |
| May/June | Complete final committee tasks. |

In addition, the Principal Incentive Committee shall have the responsibility of recommending incentive awards to the district superintendent.

The Principal Incentive Committee shall have at least four members to include, but not be limited to:

1. A principal,
2. A teacher,
3. A district level administrator, and
4. A district resident not employed by the school district.

A school district may form a committee larger than that specified in the minimum requirements and may appoint additional committees to assist the Principal Incentive Committee.

In smaller districts, committee memberships designated for principals and district administrators may be filled by persons employed in those positions by nearby districts.

The Principal Incentive Committee shall have a chairperson named in a manner deemed appropriate by the district.

The coordinator, while not a member of the Committee, shall furnish staff support to the Committee, schedule and attend all meetings of the committee, and maintain all Committee records.

School districts administering the program as a consortium shall form one Principal Incentive Committee based on the minimum requirements as stated earlier. As with a district committee, the consortium may exceed the minimum requirements by appointing additional members or forming additional committees.

Funds to support the operation of the Principal Incentive Committee are provided in the operational portion of the district's allocation for this program.

## III. Relationship of the Principal Incentive Program to the Principal Evaluation Program

### A. Overview

Subdivision D, Subpart 1 of the Education Improvement Act of 1984 mandates the establishment of a statewide program for the evaluation of all school principals, including vocational center directors and principals of special schools.

At its meeting of July 10, 1985, the South Carolina State Board of Education approved criteria for principal incentive pay. In that action, the criteria adopted by the State Board of Education for the Principal Evaluation Program were incorporated into the Principal Incentive Program as a prerequisite to consideration for incentive pay. Specifically, a principal must receive a "Superior" rating or better on the Principal Evaluation Instrument in order to be considered for the Principal Incentive Program.

### B. Principal Evaluation Program Performance Ratings as a Prerequisite for Incentive Pay

Principals, including vocational center directors and principals of special schools, applying for incentive pay consideration must achieve an overall performance rating of "Superior" or better on the Principal Evaluation Instrument. Principals with a performance rating of "Superior" or "Exemplary" on their most recent evaluation are eligible to participate in the Principal Incentive Program. An evaluation may be conducted during the year of Principal Incentive Program participation upon the request of the principal or the determination of the district.

Principals who received an overall performance rating of "Unsatisfactory" on their most recent evaluation are not eligible to participate in the Principal Incentive Program. These principals become eligible to participate in the program year following the year in which they have been re-evaluated and have met the performance rating requirements of the Principal Incentive Program.

Principals whose overall performance rating on their most recent evaluation is in a category other than those noted above may participate in the Principal Incentive Program. These principals are eligible to participate in the program provided that they are evaluated during the year of Principal Incentive Program participation using the Principal Evaluation Program.

### C. Coordination of Principal Incentive Program and Principal Evaluation Program Procedures and Schedules

The Principal Incentive Program establishes dates for conferences between the principal and his/her evaluator. In like fashion, the Principal Evaluation Program includes similar provisions for these conferences. The general objectives of these conferences are similar for both programs:

1. To ensure understanding of the requirements and procedures of the program;
2. To review progress; and
3. To make and report final judgments about success in the program.



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The procedures for the Principal Incentive Program establish at least three conferences yearly between the principal and his/her evaluator, as follows:

1. Preliminary Conference

2. Mid-Year Review Conference

3. Summative Evaluation Conference

In the year of a principal's evaluation, the three Principal Evaluation Program conferences may also serve as Principal Incentive Program conferences.

## IV. Student Teacher Involvement

As mandated by law, each principal participating in the Principal Incentive Program must agree to work with student teachers whenever possible.

## V. Attendance

All participants must demonstrate a superior attendance record by accruing no more that 10 days absence during the 190 day teacher contract year. These absences shall not include days away from the school site to participate in district-authorized professional leave or service activities. An absence for military duty, jury duty, or work-related court ordered appearance shall be excused when such duty is required by law or rule of court. The principal, however, must attempt to have such duty deferred to a time other than the regular school year.

## VI. Appeal Process

The Principal Incentive Program provides an appeal process for those principals who may be denied an incentive award. This appeal process shall be used in districts that do not have an established appeal process for their personnel.

Individuals may appeal the interpretation of collected data and/or the procedures used to determine award recipients. However, appeal decisions must remain within the parameters of the program requirements of this model.

District decisions based on compliance with State Board of Education model requirements may not be appealed. The appeal process is as follows:

A. Within seven calendar days of being notified of the incentive pay decision, the principal shall request a reconsideration of that decision in writing to the district superintendent. This request shall provide a rationale for reconsideration and may be accompanied by additional evidence supporting the principal's request.

B. Within seven calendar days of receiving the principal's request, the superintendent shall refer the principal's appeal to the Principal Incentive Committee for its review, adjudication and recommendation.

C. Within seven calendar days of receiving the superintendent's referral, the Principal Incentive Committee shall meet to review the principal's appeal and to submit to the superintendent its recommendation for the disposition of the appeal. The principal shall have the right to submit evidence directly to the committee and to appear before the committee to present his/her appeal.

D. Within seven calendar days of receiving the recommendation of the Principal Incentive Committee, the superintendent shall notify the principal of his/her decision granting incentive pay or reaffirming denial of incentive pay.

E. Within seven calendar days of receiving the decision of the superintendent, the principal may appeal that decision to the district Board of Trustees. The principal's appeal to the Board shall be in writing and shall provide a summary of the previous actions responding to his/her appeal and the principal's rationale for reconsideration by the Board.

F. Within thirty calendar days of receiving the principal's request, the Board shall conduct a hearing to review the principal's appeal. The Board shall notify the principal in writing of the time and place of the hearing not less than seven calendar days prior to the hearing. The principal shall have the right to submit evidence directly to the Board and to appear before the Board to present his/her appeal. The Board's hearing will be closed unless the principal requests that it be open to the public.

G. Within seven calendar days of the Board's hearing, the Board Chairman shall notify the principal in writing of the Board's decision. The decision of the local district Board of Trustees shall be final.

## VII. Timeline for Program Administration

In the administration of the Principal Incentive Program, districts should refer to the Suggested Program Administration Timeline furnished in Appendix A.

## VIII. General Fiscal Information and Procedures

The Principal Incentive Program is a state program administered by the school district. Each district participating in the Principal Incentive Program receives funds for both incentive awards and operating costs. Grant Awards are based on the number of principals, including vocational center directors and principals of special schools, employed by the district during the program year.

A principal may not receive an award in excess of $5,000. Of the total funds allocated to a district, an amount based on the number of principals in the district is allocated for the payment of incentive awards. In addition, funds are allocated to each district for program operation costs. A listing of allowable expenditures for program operation is provided in Appendix B.

Districts administering the Principal Incentive Program as a consortium shall designate a single district as the fiscal agent for the consortium. The allocation of funds to the consortium shall be based upon the total number of principals employed by the districts comprising the consortium.

In districts with three or more principals, the maximum number of principals who may receive incentive awards shall be two or 40% of the principals in the district, whichever is greater. In districts with two principals, only one principal shall receive an incentive award. Each district shall receive a guaranteed minimum allocation allowing the granting of one maximum award. Districts may supplement the state allocation with local funds for incentive awards and/or operating costs.

## IX. Program Requirements

School districts administering the Principal Incentive Program may establish more stringent requirements than those specified in the model provided that doing so does not violate the model requirements, the regulations of the State Board of Education, or State law.

## X. Detailed Procedures and Requirements of the Management by Results Model

### A. Distinguishing Features of the Management by Results Model

In the Management by Results Model, the identification of superior performance and productivity is based on the attainment of specified objectives. In this model, the principal, while superior in all elements of the principal's job responsibility, demonstrates through exemplary planning and execution the ability to improve the productivity of his/her school. Through a careful analysis of data, the principal identifies needs, those results of the school program that appear to fall short of attainable levels of performance, or areas of the school program in which the operating results can be improved within a reasonable allocation of resources. From this analysis, the principal formulates an objective or objectives that provides a predetermined statement of the change in operating results to be achieved during the year of participation.

### B. Planning Phase Procedures

The principal meets with his/her evaluator for the Principal Incentive Program Preliminary Conference. At this conference, the principal submits in writing the proposed performance objectives to be achieved during the forthcoming school year. The performance objectives submitted by the principal shall relate to one or more of the following criteria of the Principal Evaluation Instrument and the Performance Statements and State Requirements related to them.

| | |
|---|---|
| Criterion One: | Leadership |
| Criterion Two: | Student Development and Achievement |
| Criterion Three: | Staff Selection, Evaluation and Development |
| Criterion Five: | School/Community Relations |
| Criterion Six: | School Climate |

This conference may serve also as the preliminary conference for principals being evaluated in the Principal Evaluation Program.

The principal may submit for approval one or two objectives. If one objective is submitted, that objective must deal with student achievement. If two objectives are selected, one of the two objectives must address student achievement.

It is the responsibility of the principal's evaluator during this conference to review the proposed objectives with the principal. In addition, the evaluator should review with the principal the criteria established for evaluating the proposed objectives.

The conference should conclude with an agreement between the evaluator and the principal to pursue or not to pursue the objectives proposed. If the agreement is to pursue the objectives, the evaluator submits the objectives to the Principal Incentive Committee for its review and approval.

If agreement to submit the objectives to the Principal Incentive Committee is not reached, the principal has the option of submitting alternate objectives, withdrawing from the Principal Incentive Program, or appealing directly to the Principal Incentive Committee.

Upon receiving the performance objectives of the participating principals, the Principal Incentive Committee meets to review the objectives to determine if they represent superior performance and productivity and to approve them for implementation. The Committee takes action, as follows:

1. Approval of objectives as submitted;

2. Approval of objectives with minor revisions to be approved by evaluator;

3. Approval of objectives with major revisions to be approved by Principal Incentive Committee; or

4. Disapproval of objectives.

In addition, the Committee shall determine the relative value of approved objectives and shall assign to these objectives a potential incentive award amount. In determining the relative value of the approved objectives, the Committee may develop criteria that result in assigning larger potential incentive awards to objectives dealing with student development and achievement.

It is the responsibility of the coordinator to communicate to principals and evaluators the decisions of the Committee. For any decision except "approval of objectives as submitted", the Committee shall attach an explanation.

At its discretion, the Principal Incentive Committee may provide principals an opportunity to meet with the Committee for the purpose of reviewing and clarifying the objectives submitted.

If the objectives are approved but require major or minor revisions, the principal and the evaluator may hold a supplementary conference to respond to the Committee's decision. The evaluator shall have the authority to give final approval to objectives which require only minor revisions. Objectives requiring major revisions shall be resubmitted by the evaluator through the coordinator to the Principal Incentive Committee for final approval after appropriate changes have been made. Objectives disapproved by the Committee should be carefully reviewed by the principal and evaluator with a decision reached during a supplementary conference regarding the feasibility of continuing in the program. If in the judgment of the evaluator a successful completion of objectives is still likely, the principal may resubmit to the evaluator the revised objectives. The evaluator submits the objectives through the coordinator to the Principal Incentive Committee for its review and approval.

## C. Implementation Phase Procedures

Following final approval of the performance objectives, the principal begins the process of implementing the activities designed to achieve the objectives. It is imperative that the activities not become confused with the objectives, and that it is the improvement of results as measured in the objective, not the activities conducted, that determines success in the program.

The Mid-Year Review Conference between the principal and evaluator is held. This conference provides the opportunity to monitor progress, to promote guidance and assistance, and to make minor adjustments. In addition, this conference serves as a key decision point in the entire process. A careful comparison is to be made during this conference of the actual progress and the estimated progress by this date. At the conclusion of this conference, a firm decision should be made to continue with the plan or to discontinue further efforts and activities.

During this phase, the Principal Incentive Committee meets to review the general progress of the program. This review should be provided by the coordinator and should include a report of the minor changes made in the approved performance objectives, a summary of

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the number of principals currently involved in the program, and recommendations for changes in the district administration of the program.

D. **Evaluation Phase Procedures**

The principal and the evaluator meet for the Summative Conference to review the degree to which the principal has achieved the performance objectives as originally submitted, or as revised and approved during the school year. Upon the completion of this review, the evaluator shall transmit recommendations to the Principal Incentive Committee regarding the objectives along with the evidence supplied by the principal that the objectives have been achieved.

This conference may serve also as the summative evaluation conference for principals being evaluated in the Principal Evaluation Program. The evaluator transmits the summative rating of performance to the coordinator for inclusion in the qualifying process for incentive pay.

Upon receiving the recommendations and supporting evidence for all participating principals, the Principal Incentive Committee shall meet. Following review of the performance of all participating principals, the Committee shall recommend to the district superintendent the tentative incentive awards for principals.

The district superintendent shall make the final decision regarding incentive awards and shall notify both the successful and unsuccessful principals.

E. **The Compensation Plan**

The principal has the option of pursuing one or two objectives. Incentive awards are made on the basis of the principal achieving these objectives. The achievement of objectives is measured on a Met/Not Met basis.

A separate allocation of incentive pay based on the potential incentive award amount assigned by the Principal Incentive Committee shall be made for each objective achieved by the principal. The maximum value of the incentive award shall be $5,000. The minimum value of the incentive award shall be $2,500. Districts may make incentive awards on a sliding scale between the maximum value and the minimum value based on the relative value of approved objectives as determined by the Principal Incentive Committee.

**APPENDIX A**
**PRINCIPAL INCENTIVE PROGRAM**
**SUGGESTED PROGRAM ADMINISTRATION TIMELINE**

| | Task, Action, or Activity | Responsibility | Completion Month |
|---|---|---|---|
| 1. | Appointment of Coordinator | District/Consortium | August |
| 2. | Orientation and Training of Coordinator | SDE | September |
| 3. | Preliminary Principal Conferences | Evaluators | September |
| 4. | Establish Principal Incentive Committe | District/Consortium | September |
| 5. | District Orientation of Principals | Coordinator | September |
| 6. | Verification of District Principals to SDE | Coordinator | September |
| 7. | Initial Meeting of Principal Incentive Committee | Coordinator | October |
| 8. | Mid-Year Review Conferences | Evaluators | February |
| 9. | Mid-Year Review Meeting of Coordinators with SDE | SDE | February |
| 10. | Mid-Year Meeting of Principal Incentive Committee | Coordinator | February |
| 11. | Year-End Meeting of Coordinators with SDE | SDE | June |
| 12. | Summative Evaluations of Principals | Evaluators | June |
| 13. | Year-End Meeting of Principal Incentive Committee | Coordinator | July |
| 14. | Preliminary Recommendations for Incentive Awards | Principal Incentive Committee | July |
| 15. | Final Incentive Award Decisions | District Superintendent | December |

## APPENDIX B
## PRINCIPAL INCENTIVE PROGRAM
## EXPENDITURE GUIDELINES

The following expenditures, which must directly relate to the Principal Incentive Program, define the types of expenses that shall be allowed in the implementation of the program during a fiscal year.

I. **Awards Payments (80% or more of district allocation):**

A. Incentive award payments to successful participants -- Awards granted from State funds may not exceed $5,000 (gross pay) for any individual recipient. Funds for recognition awards which constitute direct products of value to qualified recipients shall be charged to this category.

B. Employer's matching fringe contributions to award recipients.

II. **Program Operation (no more than 20% of district allocation):**

A. Salary for employment of staff, (full-time and part-time)

B. Staff employee fringe benefits

C. Compensation for extra work beyond contract hours

D. Payments to consultants

E. Substitute pay for teachers serving on committees

F. Travel

G. Purchase of materials, supplies, books, and journals

H. Workshop expenses

I. Printing and communication

J. Leasing or purchase of equipment directly related to Principal Incentive Program implementation

The operational portion of the district's allocation will be advanced to the district in a single payment. Unexpended funds from the operational portion of the district's allocation may be redistributed to the award portion of the allocation and used for award payments to eligible principals. After the number of awards has been determined, the district is required to notify the Office of Finance, State Department of Education, of unused program funds so that funds may be redistributed as required by law.

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EXTENDED EVALUATION MODEL

## EXTENDED EVALUATION MODEL

### I. Program Features

The Extended Evaluation Model of South Carolina's Principal Incentive Program is one of three models developed under the Education Improvement Act of 1984 to reward school principals who demonstrate superior performance and productivity.

The Extended Evaluation Model of the Principal Incentive Program incorporates South Carolina's Principal Evaluation Program as one component of the process for determining incentive award recipients. In addition to requiring a rating of "Superior" or better on the Principal Evaluation Instrument, the Extended Evaluation Model requires the principal to demonstrate superior performance and productivity as compared to that of other principals in the district. The model utilizes an extended summative evaluation process drawing upon data from sources beyond those included in the Principal Evaluation Program. Districts administering this model collect and analyze extended evaluation data for all district principals, not just those requesting incentive pay consideration. The Principal Incentive Committee establishes weights and standards for the Performance Statements utilized in the evaluation process. Following data collection and analysis, the committee ranks all principals. Principals requesting incentive pay consideration receive incentive awards up to a maximum of $5,000 on the basis of a superior ranking and a "Superior" or better rating on the Principal Evaluation Instrument.

### II. Program Administration

South Carolina's Principal Incentive Program is administered through the school districts of the State. Funds for the program are allocated to each district on the basis of the number of principals and vocational center directors employed by the district. The State Board of Education, through the model requirements, provides direction for administering the program. Within the model requirements, the operation of the program and the decisions regarding incentive awards are the responsibility of the school district.

As provided by the Education Improvement Act of 1984, the Principal Incentive Program rewards principals who demonstrate superior performance and productivity. Incentive awards shall be made only to principals whose schools exhibit a level of student achievement which exceeds expected normative growth established by the district. Achievement measures may be selected from nationally and state-developed achievement instruments and from principal and district-assembled achievement-related measures which document a superior level of student achievement which exceeds expected normative growth.

#### A. District Coordinator

To facilitate the effective and efficient operation of the program, each participating district shall appoint a staff person as the district coordinator for the Principal Incentive Program. The coordinator shall be responsible for administering the program and shall:

1. Serve as the district's contact person for the program with the State Department of Education;
2. Serve, after training, as a district interpreter of the program;
3. Organize program orientation and training sessions for district principals;
4. Provide staff support to the Principal Incentive Committee;

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5. Assure administration of the Principal Incentive Program in accordance with model requirements.

The position held by the coordinator and the amount of time devoted to coordination of the Principal Incentive Program will vary with the size and existing administrative structure of the district. A portion of the operational funds allocated to the district may be used to support the salary of the coordinator. Districts implementing the Principal Incentive Program through a consortium shall identify one coordinator to serve all districts in the consortium.

**B. District Principal Incentive Committee**

As a minimum requirement, each school district participating in the Principal Incentive Program shall establish a committee to be known as the Principal Incentive Committee. The general function of the Committee is to assist the district in the administration of the program. In carrying out this function, the committee shall meet a minimum of three times during the year, as suggested below:

| **Timeline** | **Responsibilities** |
|---|---|
| September/October | Review early progress of program.<br>Complete initial committee tasks. |
| January/February | Conduct mid-year review of program progress. |
| May/June | Complete final committee tasks. |

In addition, the Principal Incentive Committee shall have the responsibility of recommending incentive awards to the district superintendent.

The Principal Incentive Committee shall have at least four members to include, but not be limited to:

1. A principal,
2. A teacher,
3. A district level administrator, and
4. A district resident not employed by the school district.

A school district may form a committee larger than that specified in the minimum requirements and may appoint additional committees to assist the Principal Incentive Committee.

In smaller districts, committee memberships designated for principals and district administrators may be filled by persons employed in those positions by nearby districts.

The Principal Incentive Committee shall have a chairperson named in a manner deemed appropriate by the district.

The coordinator, while not a member of the Committee, shall furnish staff support to the Committee, schedule and attend all meetings of the committee, and maintain all Committee records.

School districts administering the program as a consortium shall form one Principal Incentive Committee based on the minimum requirements as stated earlier. As with a

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district committee, the consortium may exceed the minimum requirements by appointing additional members or forming additional committees.

Funds to support the operation of the Principal Incentive Committee are provided in the operational portion of the district's allocation for this program.

## III. Relationship of the Principal Incentive Program to the Principal Evaluation Program

### A. Overview

Subdivision D, Subpart 1 of the Education Improvement Act of 1984 mandates the establishment of a statewide program for the evaluation of all school principals, including vocational center directors and principals of special schools.

At its meeting of July 10, 1985, the South Carolina State Board of Education approved criteria for principal incentive pay. In that action, the criteria adopted by the State Board of Education for the Principal Evaluation Program were incorporated into the Principal Incentive Program as a prerequisite to consideration for incentive pay. Specifically, a principal must receive a "Superior" rating or better on the Principal Evaluation Instrument in order to be considered for the Principal Incentive Program.

### B. Principal Evaluation Program Performance Ratings as a Prerequisite for Incentive Pay

Principals, including vocational center directors and principals of special schools, applying for incentive pay consideration must achieve an overall performance rating of "Superior" or better on the Principal Evaluation Instrument. Principals with a performance rating of "Superior" or "Exemplary" on their most recent evaluation are eligible to participate in the Principal Incentive Program. An evaluation may be conducted during the year of Principal Incentive Program participation upon the request of the principal or the determination of the district.

Principals who received an overall performance rating of "Unsatisfactory" on their most recent evaluation are not eligible to participate in the Principal Incentive Program. These principals become eligible to participate in the program year following the year in which they have been re-evaluated and have met the performance rating requirements of the Principal Incentive Program.

Principals whose overall performance rating on their most recent evaluation is in a category other than those noted above may participate in the Principal Incentive Program. These principals are eligible to participate in the program provided that they are evaluated during the year of Principal Incentive Program participation using the Principal Evaluation Program.

### C. Coordination of Principal Incentive Program and Principal Evaluation Program Procedures and Schedules

The Principal Incentive Program establishes dates for conferences between the principal and his/her evaluator. In like fashion, the Principal Evaluation Program includes similar provisions for these conferences. The general objectives of these conferences are similar for both programs:

1. To ensure understanding of the requirements and procedures of the program;

2. To review progress; and

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3. To make and report final judgments about success in the program.

The procedures for the Principal Incentive Program establish at least three conferences yearly between the principal and his/her evaluator, as follows:

1. Preliminary Conference

2. Mid-Year Review Conference

3. Summative Evaluation Conference

In the year of a principal's evaluation, the three Principal Evaluation Program conferences may also serve as Principal Incentive Program conferences.

## IV. Student Teacher Involvement

As mandated by law, each principal participating in the Principal Incentive Program must agree to work with student teachers whenever possible.

## V. Attendance

All participants must demonstrate a superior attendance record by accruing no more than 10 days absence during the 190 day teacher contract year. These absences shall not include days away from the school site to participate in district-authorized professional leave or service activities. An absence for military duty, jury duty, or work-related court ordered appearance shall be excused when such duty is required by law or rule of court. The principal, however, must attempt to have such duty deferred to a time other than the regular school year.

## VI. Appeal Process

The Principal Incentive Program provides an appeal process for those principals who may be denied an incentive award. This appeal process shall be used in districts that do not have an established appeal process for their personnel.

Individuals may appeal the interpretation of collected data and/or the procedures used to determine award recipients. However, appeal decisions must remain within the parameters of the program requirements of this model.

District decisions based on compliance with State Board of Education model requirements may not be appealed. The appeal process is as follows:

A. Within seven calendar days of being notified of the incentive pay decision, the principal shall request a reconsideration of that decision in writing to the district superintendent. This request shall provide a rationale for reconsideration and may be accompanied by additional evidence supporting the principal's request.

B. Within seven calendar days of receiving the principal's request, the superintendent shall refer the principal's appeal to the Principal Incentive Committee for its review, adjudication and recommendation.

C. Within seven calendar days of receiving the superintendent's referral, the Principal Incentive Committee shall meet to review the principal's appeal and to submit to the superintendent its recommendation for the disposition of the appeal. The principal shall have the right to

submit evidence directly to the committee and to appear before the committee to present his/her appeal.

D. Within seven calendar days of receiving the recommendation of the Principal Incentive Committee, the superintendent shall notify the principal of his/her decision granting incentive pay or reaffirming denial of incentive pay.

E. Within seven calendar days of receiving the decision of the superintendent, the principal may appeal that decision to the district Board of Trustees. The principal's appeal to the Board shall be in writing and shall provide a summary of the previous actions responding to his/her appeal and the principal's rationale for reconsideration by the Board.

F. Within thirty calendar days of receiving the principal's request, the Board shall conduct a hearing to review the principal's appeal. The Board shall notify the principal in writing of the time and place of the hearing not less than seven calendar days prior to the hearing. The principal shall have the right to submit evidence directly to the Board and to appear before the Board to present his/her appeal. The Board's hearing will be closed unless the principal requests that it be open to the public.

G. Within seven calendar days of the Board's hearing, the Board Chairman shall notify the principal in writing of the Board's decision. The decision of the local district Board of Trustees shall be final.

## VII. Timeline for Program Administration

In the administration of the Principal Incentive Program, districts should refer to the Suggested Program Administration Timeline furnished in Appendix C.

## VIII. General Fiscal Information and Procedures

The Principal Incentive Program is a state program administered by the school district. Each district participating in the Principal Incentive Program receives funds for both incentive awards and operating costs. Grant Awards are based on the number of principals, including vocational center directors and principals of special schools, employed by the district during the program year.

A principal may not receive an award in excess of $5,000. Of the total funds allocated to a district, an amount based on the number of principals in the district is allocated for the payment of incentive awards. In addition, funds are allocated to each district for program operation costs. A listing of allowable expenditures for program operation is provided in Appendix D.

Districts administering the Principal Incentive Program as a consortium shall designate a single district as the fiscal agent for the consortium. The allocation of funds to the consortium shall be based upon the total number of principals employed by the districts comprising the consortium.

In districts with three or more principals, the maximum number of principals who may receive incentive awards shall be two or 40% of the principals in the district, whichever is greater. In districts with two principals, only one principal shall receive an incentive award. Each district shall receive a guaranteed minimum allocation allowing the granting of one maximum award. Districts may supplement the state allocation with local funds for incentive awards and/or operating costs.

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## IX. Program Requirements

School districts administering the Principal Incentive Program may establish more stringent requirements than those specified in the model provided that doing so does not violate the model requirements, the regulations of the State Board of Education, or State law.

## X. Detailed Procedures and Requirements of the Extended Evaluation Model

### A. Distinguishing Features of the Extended Evaluation Model

The Extended Evaluation Model utilizes the Principal Evaluation Program as a foundation upon which to build the incentive program. The model extends the evaluation sources beyond those customarily used in the Principal Evaluation Program.

The Extended Evaluation Model focuses on the results of the principal's activities as opposed to an assessment of the activities themselves. The evaluation of performance is summative, rather than formative, in nature. Output data, collected from a variety of sources through the district office, is a major element in the incentive pay decision. The district collects output data for all district principals, not just those requesting incentive pay consideration.

A substantial involvement of the Principal Incentive Committee together with district staff in data collection and analysis assists the principal in documenting performance.

### B. Planning Phase Procedures

As suggested in the Program Administration Timeline, the principal and evaluator meet by September for the Preliminary Conference. In addition to reviewing the procedures of the Principal Incentive Program with the evaluator, the principal informs the evaluator of his/her decision to be considered for incentive pay. Principals who do not request incentive pay consideration shall be evaluated through the extended sources described, but shall not be eligible for an incentive award at the end of the year. The evaluator documents the principal's decision and forwards it to the coordinator. This conference may serve also as the preliminary conference for principals being evaluated in the Principal Evaluation Program.

During this planning phase, the Principal Incentive Committee, identifies the data sources to be used, establishes the point value for total principal performance, the points assigned to each principal evaluation criterion and the relative weight of each data source. A major emphasis is placed on the improvement of student achievement.

### C. Implementation Phase Procedures

The coordinator assures the collection and analysis of the specified data related to the principal's performance. The data to be compiled and analyzed shall include student achievement results, annual school improvement report survey data on the six effective school indicators, and extended sources of information regarding the principal's performance in each of the seven criteria of the Principal Evaluation Program.

The Principal Incentive Committee may utilize additional surveys to collect data from relevant groups concerning the performance of all principals as extended sources of evaluation. If survey information is used, the data must represent current performance.

During this implementation phase, the Principal Incentive Committee conducts a meeting to review the general progress of the program as provided by the coordinator.

As suggested in the Program Administration Timeline, the principal and his/her evaluator meet in a Mid-Year Review Conference to review the data collection process and the results relevant to the principal's performance.

D. **Evaluation Phase Procedures**

The evaluation phase begins with the principal's self assessment of performance for the school year just ending. For this self assessment, the principal is provided the data collected during the implementation phase. The principal analyzes the results of the data collected as assembled by the coordinator. The results of this self assessment are documented by the principal in preparation for the summative evaluation conference with the evaluator.

The second step in the evaluation phase is the Summative Evaluation Conference as scheduled in the Principal Incentive Program. This conference may serve also as the summative conference for principals being evaluated in the Principal Evaluation Program. After reviewing the principal's performance, the principal and evaluator discuss the evaluator's assessment of the principal's performance. For those principals in the Principal Evaluation Program, the evaluator transmits the summative rating of performance to the coordinator for inclusion in the qualifying process for incentive pay.

Following the transmittal of all data relating to the performance of all principals, the coordinator prepares summary information for each principal. That information is coded so the Principal Incentive Committee can conduct a blind review of performances. The Principal Incentive Committee rank orders the performances of all principals, including those who are not pursuing incentive pay. These performance ratings are returned to the coordinator and matched with the names of principals to determine which participating principals will be awarded incentive pay. The resulting list is then submitted to the district superintendent for incentive pay consideration.

The district superintendent shall make the final decision regarding incentive awards and shall notify both the successful and unsuccessful principals.

In addition to ranking performance, the year-end meeting of the Principal Incentive Committee shall be used to develop standards for next year's program. These standards, based on all performances during the program year just completed, serve as the estimates of superior performance required for incentive pay consideration in the coming year's program.

E. **The Compensation Plan**

The incentive awards shall be made at the end of the year to those principals requesting incentive pay consideration who achieve the highest levels of performance as indicated by the data. The performance of all principals is ranked from most effective to least effective by the Principal Incentive Committee in a blind review of the data. A ranking is then made of all principals requesting incentive pay consideration. From this list, principals at the top of the rank order shall receive incentive awards until the available funds are exhausted. The maximum value of the incentive award shall be $5,000. The minimum value of the incentive award shall be $2,500. Districts may make incentive awards on a sliding scale between the maximum value and the minimum value based on different levels of superior performance and productivity.

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**APPENDIX C**
**PRINCIPAL INCENTIVE PROGRAM**
**SUGGESTED PROGRAM ADMINISTRATION TIMELINE**

| | Task, Action, or Activity | Responsibility | Completion Month |
|---|---|---|---|
| 1. | Appointment of Coordinator | District/Consortium | August |
| 2. | Orientation and Training of Coordinator | SDE | September |
| 3. | Preliminary Principal Conferences | Evaluators | September |
| 4. | Establish Principal Incentive Committee | District/Consortium | September |
| 5. | District Orientation of Principals | Coordinator | September |
| 6. | Verification of District Principals to SDE | Coordinator | September |
| 7. | Initial Meeting of Principal Incentive Committee | Coordinator | October |
| 8. | Mid-Year Review Conferences | Evaluators | February |
| 9. | Mid-Year Review Meeting of Coordinators with SDE | SDE | February |
| 10. | Mid-Year Meeting of Principal Incentive Committee | Coordinator | February |
| 11. | Year-End Meeting of Coordinators with SDE | SDE | June |
| 12. | Summative Evaluations of Principals | Evaluators | June |
| 13. | Year-End Meeting of Principal Incentive Committee | Coordinator | July |
| 14. | Preliminary Recommendations for Incentive Awards | Principal Incentive Committee | July |
| 15. | Final Incentive Award Decisions | District Superintendent | December |

## APPENDIX D
## PRINCIPAL INCENTIVE PROGRAM
## EXPENDITURE GUIDELINES

The following expenditures, which must directly relate to the Principal Incentive Program, define the types of expenses that shall be allowed in the implementation of the program during a fiscal year.

I. **Awards Payments (80% or more of district allocation):**

A. Incentive award payments to successful participants -- Awards granted from State funds may not exceed $5,000 (gross pay) for any individual recipient. Funds for recognition awards which constitute direct products of value to qualified recipients shall be charged to this category.

B. Employer's matching fringe contributions to award recipients.

II. **Program Operation (no more than 20% of district allocation):**

A. Salary for employment of staff, (full-time and part-time)

B. Staff employee fringe benefits

C. Compensation for extra work beyond contract hours

D. Payments to consultants

E. Substitute pay for teachers serving on committees

F. Travel

G. Purchase of materials, supplies, books, and journals

H. Workshop expenses

I. Printing and communication

J. Leasing or purchase of equipment directly related to Principal Incentive Program implementation

The operational portion of the district's allocation will be advanced to the district in a single payment. Unexpended funds from the operational portion of the district's allocation may be redistributed to the award portion of the allocation and used for award payments to eligible principals. After the number of awards has been determined, the district is required to notify the Office of Finance, State Department of Education, of unused program funds so that funds may be redistributed as required by law.

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COMBINATION MODEL

## COMBINATION MODEL

### I. Program Features

The Combination Model of South Carolina's Principal Incentive Program is one of three models developed under the Education Improvement Act of 1984 to reward school principals who demonstrate superior performance and productivity.

The Combination Model of the Principal Incentive Program incorporates South Carolina's Principal Evaluation Program as the preliminary process for determining incentive award recipients. In addition to requiring a rating of "Superior" or better on the Principal Evaluation Instrument, the Combination Model requires the principal to select one of two evaluation procedures to determine incentive awards. If the "Exceeds Performance" procedure is selected, the principal, with the assistance of his/her evaluator, negotiates validation sources at the "Exceeds" level with the Principal Incentive Committee. If the "Performance Objectives" procedure is selected, the principal, with the assistance of his/her evaluator, develops objectives for the approval of the Principal Incentive Committee. Both procedures use a point basis to determine the size of the award. At the end of the school year, the Committee determines the number of points earned by each participating principal. The principal receives an incentive award on the basis of both the actual points earned and a "Superior" or better rating on the Principal Evaluation Instrument.

### II. Program Administration

South Carolina's Principal Incentive Program is administered through the school districts of the State. Funds for the program are allocated to each district on the basis of the number of principals and vocational center directors employed by the district. The State Board of Education, through the model requirements, provides direction for administering the program. Within the model requirements, the operation of the program and the decisions regarding incentive awards are the responsibility of the school district.

As provided by the Education Improvement Act of 1984, the Principal Incentive Program rewards principals who demonstrate superior performance and productivity. Incentive awards shall be made only to principals whose schools exhibit a level of student achievement which exceeds expected normative growth established by the district. Achievement measures may be selected from nationally and state-developed achievement instruments and from principal and district-assembled achievement-related measures which document a superior level of student achievement which exceeds expected normative growth.

#### A. District Coordinator

To facilitate the effective and efficient operation of the program, each participating district shall appoint a staff person as the district coordinator for the Principal Incentive Program. The district coordinator shall be responsible for administering the program and shall:

1. Serve as the district's contact person for the program with the State Department of Education;

2. Serve, after training, as a district interpreter of the program;

3. Organize program orientation and training sessions for district principals;

4. Provide staff support to the Principal Incentive Committee;

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5. Assure administration of the Principal Incentive Program in accordance with model requirements.

The position held by the coordinator and the amount of time devoted to coordination of the Principal Incentive Program will vary with the size and existing administrative structure of the district. A portion of the operational funds allocated to the district may be used to support the salary of the coordinator. Districts implementing the Principal Incentive Program through a consortium shall identify one coordinator to serve all districts in the consortium.

**B. District Principal Incentive Committee**

As a minimum requirement, each school district participating in the Principal Incentive Program shall establish a committee to be known as the Principal Incentive Committee. The general function of the Committee is to assist the district in the administration of the program. In carrying out this function, the committee shall meet a minimum of three times during the year, as suggested below:

| **Timeline** | **Responsibilities** |
|---|---|
| September/October | Review early progress of program.<br>Complete initial committee tasks. |
| January/February | Conduct mid-year review of program progress. |
| May/June | Complete final committee tasks. |

In addition, the Principal Incentive Committee shall have the responsibility of recommending incentive awards to the district superintendent.

The Principal Incentive Committee shall have at least four members to include, but not be limited to:

1. A principal,

2. A teacher,

3. A district level administrator, and

4. A district resident not employed by the school district.

A school district may form a committee larger than that specified in the minimum requirements and may appoint additional committees to assist the Principal Incentive Committee.

In smaller districts, committee memberships designated for principals and district administrators may be filled by persons employed in those positions by nearby districts.

The Principal Incentive Committee shall have a chairperson named in a manner deemed appropriate by the district.

The coordinator, while not a member of the Committee, shall furnish staff support to the Committee, schedule and attend all meetings of the committee, and maintain all Committee records.

School districts administering the program as a consortium shall form one Principal Incentive Committee based on the minimum requirements as stated earlier. As with a

district committee, the consortium may exceed the minimum requirements by appointing additional members or forming additional committees.

Funds to support the operation of the Principal Incentive Committee are provided in the operational portion of the district's allocation for this program.

## III. Relationship of the Principal Incentive Program to the Principal Evaluation Program

### A. Overview

Subdivision D, Subpart 1 of the Education Improvement Act of 1984 mandates the establishment of a statewide program for the evaluation of all school principals, including vocational center directors and principals of special schools.

At its meeting of July 10, 1985, the South Carolina State Board of Education approved criteria for principal incentive pay. In that action, the criteria adopted by the State Board of Education for the Principal Evaluation Program were incorporated into the Principal Incentive Program as a prerequisite to consideration for incentive pay. Specifically, a principal must receive a "Superior" rating or better on the Principal Evaluation Instrument in order to be considered for the Principal Incentive Program.

### B. Principal Evaluation Program Performance Ratings as a Prerequisite for Incentive Pay

Principals, including vocational center directors and principals of special schools, applying for incentive pay consideration must achieve an overall performance rating of "Superior" or better on the Principal Evaluation Instrument. Principals with a performance rating of "Superior" or "Exemplary" on their most recent evaluation are eligible to participate in the Principal Incentive Program. An evaluation may be conducted during the year of Principal Incentive Program participation upon the request of the principal or the determination of the district.

Principals who received Principal Evaluation Program performance ratings of "Unsatisfactory" on their most recent evaluation are not eligible to participate in the Principal Incentive Program. These principals become eligible to participate in the program year following the year in which they have been re-evaluated and have met the performance rating requirements of the Principal Incentive Program.

Principals whose overall performance evaluation rating on their most recent evaluation is in a category other than those noted above may participate in the Principal Incentive Program. These principals are eligible to participate in the program provided that they are evaluated during the year of Principal Incentive Program participation using the Principal Evaluation Program.

### C. Coordination of Principal Incentive Program and Principal Evaluation Program Procedures and Schedules

The Principal Incentive Program establishes dates for conferences between the principal and his/her evaluator. In like fashion, the Principal Evaluation Program includes similar provisions for these conferences. The general objectives of these conferences are similar for both programs:

1. To ensure understanding of the requirements and procedures of the program;

2. To review progress; and



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3. To make and report final judgments about success in the program.

The procedures for the Principal Incentive Program establish at least three conferences yearly between the principal and his/her evaluator, as follows:

1. Preliminary Conference

2. Mid-Year Review Conference

3. Summative Evaluation Conference

In the year of a principal's evaluation, the three Principal Evaluation Program conferences may also serve as Principal Incentive Program conferences.

## IV. Student Teacher Involvement

As mandated by law, each principal participating in the Principal Incentive Program must agree to work with student teachers whenever possible.

## V. Attendance

All participants must demonstrate a superior attendance record by accruing no more than 10 days absence during the 190 day teacher contract year. These absences shall not include days away from the school site to participate in district-authorized professional leave or service activities. An absence for military duty, jury duty, or work-related court ordered appearance shall be excused when such duty is required by law or rule of court. The principal, however, must attempt to have such duty deferred to a time other than the regular school year.

## VI. Appeal Process

The Principal Incentive Program provides an appeal process for those principals who may be denied an incentive award. This appeal process shall be used in districts that do not have an established appeal process for their personnel.

Individuals may appeal the interpretation of collected data and/or the procedures used to determine award recipients. However, appeal decisions must remain within the parameters of the program requirements of this model.

District decisions based on compliance with State Board of Education model requirements may not be appealed. The appeal process is as follows:

A. Within seven calendar days of being notified of the incentive pay decision, the principal shall request a reconsideration of that decision in writing to the district superintendent. This request shall provide a rationale for reconsideration and may be accompanied by additional evidence supporting the principal's request.

B. Within seven calendar days of receiving the principal's request, the superintendent shall refer the principal's appeal to the Principal Incentive Committee for its review, adjudication and recommendation.

C. Within seven calendar days of receiving the superintendent's referral, the Principal Incentive Committee shall meet to review the principal's appeal and to submit to the superintendent its recommendation for the disposition of the appeal. The principal shall have the right to

submit evidence directly to the committee and to appear before the committee to present his/her appeal.

D. Within seven calendar days of receiving the recommendation of the Principal Incentive Committee, the superintendent shall notify the principal of his/her decision granting incentive pay or reaffirming denial of incentive pay.

E. Within seven calendar days of receiving the decision of the superintendent, the principal may appeal that decision to the district Board of Trustees. The principal's appeal to the Board shall be in writing and shall provide a summary of the previous actions responding to his/her appeal and the principal's rationale for reconsideration by the Board.

F. Within thirty calendar days of receiving the principal's request, the Board shall conduct a hearing to review the principal's appeal. The Board shall notify the principal in writing of the time and place of the hearing not less than seven calendar days prior to the hearing. The principal shall have the right to submit evidence directly to the Board and to appear before the Board to present his/her appeal. The Board's hearing will be closed unless the principal requests that it be open to the public.

G. Within seven calendar days of the Board's hearing, the Board Chairman shall notify the principal in writing of the Board's decision. The decision of the local district Board of Trustees shall be final.

## VII. Timeline for Program Administration

In the administration of the Principal Incentive Program districts should refer to the Suggested Program Administration Timeline furnished in Appendix E.

## VIII. General Fiscal Information and Procedures

The Principal Incentive Program is a state program administered by the school district. Each district participating in the Principal Incentive Program receives funds for both incentive awards and operating costs. Grant Awards are based on the number of principals, including vocational center directors and principals of special schools, employed by the district during the program year.

A principal may not receive an award in excess of $5,000. Of the total funds allocated to a district, an amount based on the number of principals in the district is allocated for the payment of incentive awards. In addition, funds are allocated to each district for program operation costs. A listing of allowable expenditures for program operation is provided in Appendix F.

Districts administering the Principal Incentive Program as a consortium shall designate a single district as the fiscal agent for the consortium. The allocation of funds to the consortium shall be based upon the total number of principals employed by the districts comprising the consortium.

In districts with three or more principals, the maximum number of principals who may receive incentive awards shall be two or 40% of the principals in the district, whichever is greater. In districts with two principals, only one principal shall receive an incentive award. Each district shall receive a guaranteed minimum allocation allowing the granting of one maximum award. Districts may supplement the state allocation with local funds for incentive awards and/or operating costs.

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## IX. Program Requirements

School districts administering the Principal Incentive Program may establish more stringent requirements than those specified in the model provided that doing so does not violate the model requirements, the regulations of the State Board of Education, or State law.

## X. Detailed Procedures and Requirements of the Combination Model

### A. Distinguishing Features of the Combination Model

The Combination Model has the unique characteristic of combining two options for principals. In districts administering the Combination Model, participating principals may choose one of two options as a means of earning an incentive award. The choices offered principals are:

Option A: The Exceeds Performance Plan
Option B: The Performance Objectives Plan

Option A is based on the attainment of "Exceeds Requirements" scores for the job responsibilities described by the Performance Statements of the Principal Evaluation Program.

Option B is based on the achievement of annual performance objectives that create beneficial changes in the principal's school.

### B. Planning Phase Procedures

The principal meets with his/her evaluator for the Preliminary Conference. At this conference, the principal reviews the requirements of the Principal Incentive Program and selects either Option A, The Exceeds Performance Plan, or Option B, The Performance Objectives Plan. This conference may serve also as the preliminary conference for principals being evaluated in the Principal Evaluation Program.

If Option A is selected, the principal submits a plan and the evaluator transmits the plan to the Principal Incentive Committee. In the plan, the principal chooses those Performance Statements of the Principal Evaluation Program that will be addressed at the "Exceeds" level. In doing so, the principal is committed to demonstrating "Exceeds" performance and the validation of that performance by appropriate evidence. As a participant in the program, the principal seeks to validate additional Performance Statements beyond the minimum number required for a Principal Evaluation Program rating of "Superior". For each performance statement above the minimum required number validated at the "Exceeds" level, the principal is awarded one point toward incentive pay. The principal may elect any number of additional Performance Statements up to the total number of statements that represent the difference between the minimum number required for a "Superior" rating and the total number of Performance Statements in the Principal Evaluation Program. One of the Performance Statements selected must deal with student achievement.

Suggested data sources for the validation of performance are provided in the Principal Evaluation Program. The plan submitted to the Principal Incentive Committee shall list only data sources agreed upon by the principal and evaluator as demonstrating "Exceeds" performance.

If Option B is selected, the principal submits a plan and the evaluator transmits the plan to the Principal Incentive Committee. In the plan, the principal describes one to four

performance objectives that will improve the school, enhance learning opportunities, or create positive changes in students, staff and/or services. The performance objectives must go beyond routine objectives that are a part of normal job requirements. The objectives must have verifiable outcomes and must have a reasonable chance of attainment. One of the objectives selected must address student achievement.

The principal submits from one to four performance objectives for the review and approval of the Principal Incentive Committee. In developing the objective(s), the principal will estimate a point value for each objective.

Upon receiving the Option A plans and Option B plans from all participating principals, the Principal Incentive Committee shall meet to review the plans submitted.

In reviewing Option A Plans, the Committee shall assess the degree to which the proposed performance levels represent "Exceeds" performance and the degree to which the proposed evidence represents adequate validation of that performance. Following its assessment, the Committee shall approve or disapprove each Performance Statement submitted. Performance Statements that are disapproved by the Committee may be revised and resubmitted by the principal for further consideration.

In reviewing Option B Plans, the Committee shall assess the degree to which the performance objectives comform to district goals, the degree to which they are worthy of achievement, the degree to which their achievement can be validated, and the degree to which the proposed point value for each objective is appropriate. Following its assessment, the Committee approves or disapproves each performance objective and assigns a point value to each objective that is approved. Performance objectives that are disapproved by the Committee may be revised and resubmitted by the principal for further consideration.

At its discretion, the Principal Incentive Committee may provide principals an opportunity to meet with the Committee for the purpose of reviewing and clarifying the plans submitted.

**C. Implementation Phase Procedures**

Upon approval of the principal's plan for either Option A or Option B, the principal begins to implement the plan. For Option A, implementation involves demonstration of superior performance in the Performance Statements selected and the documentation of those performances. For Option B, implementation involves initiating the activities designed to meet the Performance Objective(s).

A second conference of the principal and evaluator is held and is designated as the Mid-Year Review Conference. At this conference, the evaluator and principal conduct a thorough review of the current status of the principal's plan. A realistic comparison should be made between the actual progress achieved by the principal and the progress anticipated by this date. At the conclusion of this conference, the evaluator and the principal should reach a firm decision to continue with the plan or to discontinue further efforts and activities.

During this phase of the program the Principal Incentive Committee conducts a meeting to review the general progress of the program. This review should be provided by the coordinator and should include a summary of the current rate of participation by principals in the program, the analysis of withdrawals, if any, from the program and recommendations for changes in the district administration of the program.

## D. Evaluation Phase Procedures

The evaluation phase begins with the Summative Evaluation Conference between the principal and the evaluator. The evaluator conducts with the principal a review of the data developed by the principal as evidence of performance justifying incentive pay. The purpose of this review is to determine both the degree to which the principal's actual performance is consistent with the principal's proposed level of performance as described in the principal's plan and the degree to which the results of that performance and the supporting evidence verify superior achievement.

This conference may serve also as the Summative Evaluation Conference for principals being evaluated in the Principal Evaluation Program. The evaluator transmits the summative rating of performance to the district coordinator for inclusion in the qualifying process for incentive pay.

If the principal has pursued Option A, the evaluator reviews the validation sources developed by the principal as evidence of performance at the "Exceeds" level. The quality and quantity of information and data submitted will be compared to the information and data approved by the Principal Incentive Committee in response to the principal's original plan. This comparison will be made for each Performance Statement selected by the principal. Each participant must satisfy the "Exceeds" level on the minimum number of Performance Statements required for a rating of "Superior" before earning points toward the Principal Incentive Program. For each Performance Statement above this minimum met at the "Exceeds" level, one point will be awarded. (See B. Planning Phase Procedures, page 32.) The results of this review will be transmitted to the Principal Incentive Committee for its recommendation to the district superintendent.

If the principal has pursued Option B, the evaluator reviews the evidence demonstrating that the performance objectives proposed in the principal's plan have been achieved. In addition, the evaluator will review the points originally approved for each performance objective and will, on the basis of that review, recommend each performance objective as met or not met. The results of this review will be summarized and transmitted to the Principal Incentive Committee for its recommendation to the district superintendent.

Upon receiving the recommendations and supporting evidence for all participating principals, the Principal Incentive Committee shall meet. Following their review of the performance of all participating principals, the Committee shall recommend tentative incentive awards to the district superintendent. The district superintendent shall make the final decision regarding incentive awards and shall notify both the successful and unsuccessful principals.

## E. The Compensation Plan

The compensation plan for the Combination Model is based on the total number of points earned by an individual principal compared to the total number of points earned by all principals participating in the incentive program.

After a determination of the points earned by all principals in both Option A and Option B is made, the funds allocated to the district for incentive awards are divided by the total points earned. This computation results in a dollar value for each point earned. The points earned by each individual principal are then multiplied by the dollar value for each point to determine the total incentive award for each principal. The maximum award for each principal shall be $5,000. The minimum incentive award shall be $2,500.

The following example illustrates the Combination Model Compensation Plan:

| | | |
|---|---|---|
| A. | District Allocation for Incentive Awards | $20,000.00 |
| B. | Total Points Earned by all Principals | 40 |
| C. | Dollar Value of Each Point (A/B) | $500.00 |

Hypothetical Incentive Awards Made by District

| Principal | Total Points Earned Beyond the Minimum | X | Dollar Value Per Point | = | Incentive Pay |
|---|---|---|---|---|---|
| A | 9 | | 500.00 | | 4,500.00 |
| B | 8 | | 500.00 | | 4,000.00 |
| C | 8 | | 500.00 | | 4,000.00 |
| D | 6 | | 500.00 | | 3,000.00 |
| E | 5 | | 500.00 | | 2,500.00 |
| F* | 4 | | 500.00 | | 2,000.00 |

* Because the minimum value of the incentive award is $2,500, Principal F in the above example would not receive an award.

## APPENDIX E
## PRINCIPAL INCENTIVE PROGRAM
## SUGGESTED PROGRAM ADMINISTRATION TIMELINE

| | Task, Action, or Activity | Responsibility | Completion Month |
|---|---|---|---|
| 1. | Appointment of Coordinator | District/Consortium | August |
| 2. | Orientation and Training of Coordinator | SDE | September |
| 3. | Preliminary Principal Conferences | Evaluators | September |
| 4. | Establish Principal Incentive Committee | District/Consortium | September |
| 5. | District Orientation of Principals | Coordinator | September |
| 6. | Verification of District Principals to SDE | Coordinator | September |
| 7. | Initial Meeting of Principal Incentive Committee | Coordinator | October |
| 8. | Mid-Year Review Conferences | Evaluators | February |
| 9. | Mid-Year Review Meeting of Coordinators with SDE | SDE | February |
| 10. | Mid-Year Meeting of Principal Incentive Committee | Coordinator | February |
| 11. | Year-End Meeting of Coordinators with SDE | SDE | June |
| 12. | Summative Evaluations of Principals | Evaluators | June |
| 13. | Year-End Meeting of Principal Incentive Committee | Coordinator | July |
| 14. | Preliminary Recommendations for Incentive Awards | Principal Incentive Committee | July |
| 15. | Final Incentive Award Decisions | District Superintendent | December |



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**APPENDIX F**
**PRINCIPAL INCENTIVE PROGRAM**
**EXPENDITURE GUIDELINES**

The following expenditures, which must directly relate to the Principal Incentive Program, define the types of expenses that shall be allowed in the implementation of the program during a fiscal year.

I. **Awards Payments (80% or more of district allocation):**

A. Incentive award payments to successful participants -- Awards granted from State funds may not exceed $5,000 (gross pay) for any individual recipient. Funds for recognition awards which constitute direct products of value to qualified recipients shall be charged to this category.

B. Employer's matching fringe contributions to award recipients.

II. **Program Operation (no more than 20% of district allocation):**

A. Salary for employment of staff, (full-time and part-time)

B. Staff employee fringe benefits

C. Compensation for extra work beyond contract hours

D. Payments to consultants

E. Substitute pay for teachers serving on committees

F. Travel

G. Purchase of materials, supplies, books, and journals

H. Workshop expenses

I. Printing and communication

J. Leasing or purchase of equipment directly related to Principal Incentive Program implementation

The operational portion of the district's allocation will be advanced to the district in a single payment. Unexpended funds from the operational portion of the district's allocation may be redistributed to the award portion of the allocation and used for award payments to eligible principals. After the number of awards has been determined, the district is required to notify the Office of Finance, State Department of Education, of unused program funds so that funds may be redistributed as required by law.